

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 02 PRAGUE 001857

SIPDIS

E.O. 12958: DECL: 12/21/2014

TAGS: [PGOV](#) [PREL](#) [PINR](#) [EZ](#)

SUBJECT: CRISIS IN RULING CZECH CSSD: PARTY STUCK BETWEEN  
ROCK AND HARD PLACE

REF: PRAGUE 1845

Classified By: Political Officer Renata Sykorova Turnidge for reasons 1  
.4(b) and (d)

1. (C) Summary. The initial period of relative calm and promise of consolidation in the main ruling Social Democratic Party (CSSD) after Stanislav Gross took over as acting party chairman this summer effectively ended with its poor showing in the November regional and Senate elections. The elections once again brought to the fore the fundamental differences in orientation among various groups in the CSSD, exposed Gross's shortcomings as the party's leader, and undercut his leadership authority. Above all, the election fiasco showed that even a young and (relatively) vibrant leader like Gross cannot make up for the lack of a concrete strategy for transforming the party and winning back voters. The CSSD is stuck at a crossroads: it has to make a choice between returning to its socialist-oriented party roots, advocated by the loose grouping known as the Renaissance platform, or transforming into a European-style Social Democratic party, with Tony Blair's Labour Party as a model. However, internal disputes and a lack of vision among party leaders prevent a real solution. CSSD disunity promises to undermine the work of the already weak governing coalition. End Summary.

-----  
Gross Defends Policy, Challengers Remain  
-----

2. (C) The latest crisis in the governing Czech Social Democratic Party developed after the CSSD's abysmal performance in the regional and Senate elections in November, which came on the heels of the debacle in the June European Parliament elections. PM and acting CSSD Chairman Stanislav Gross responded weakly, for instance by suggesting that the Senate ought to be abolished altogether; many in the party criticized Gross's leadership and his three-party coalition with the center-right Christian Democrats (KDU-CSL) and the Freedom Union (US-DEU); there was discussion about the wisdom and necessity of CSSD collaborating more closely with the unreformed communist party (KSCM). Gross's lack of control over the party became clear when left-oriented Labor and Social Affairs Minister Zdenek Skromach announced that he would challenge Gross for the top post at the party's upcoming March Congress. After weeks of relative silence, Gross surprised many when at the early December CSSD Executive Committee meeting he took a resolute stand against a minority government with the tacit support of KSCM or any outreach to the disgruntled former PM Zeman, and criticized the party's parliamentary faction for its lack of cohesiveness. Although he received the mandate from the Committee to continue in his position and remain in coalition with the KDU-CSL and US-DEU, Gross failed to quiet growing internal dissent from the CSSD's left wing and former Zeman supporters.

3. (C) The fault lines between the different interest and ideological groups are constantly changing, but Gross and his supporters face the biggest challenge from the loose leftist bloc that includes the Renaissance platform advocating Zeman's return. Skromach has emerged as the only potential challenger to Gross at the CSSD March Congress, but support for his leadership currently is limited and he is not seen as a natural leader by the disgruntled group. Gross's close ally Petr Ibl recently threatened to resign as CSSD parliamentary caucus chair unless intra-party communication improves; his departure would be a severe blow to Gross. Ibl's threat is only the most visible sign of what party insiders tell us is a wave of previous Gross supporters abandoning him. Still, none yet see any sign of a challenger who can win the support of the disparate party groupings and unseat Gross at the party congress in March.

-----  
Party Stuck at a Crossroads  
-----

4. (C) In their meetings with Embassy officers, CSSD members admit the party is in a deep crisis and risks extinction if it does not consolidate and come up with a cohesive party program that will win back voters. The party is stuck between the choice of moving right towards the political center, or veering left towards cooperation with the KSCM. Gross, in partnership with the respected Minister of Finance Bohuslav Sobotka, sees the transformation of CSSD into a

mainstream, liberal European Social Democratic Party along the lines of the British Labour Party as the only chance to revitalize CSSD. They estimate that the Czech public increasingly views reform as necessary to solve the country's economic and social problems, including the poorly functioning health care and pension systems, and abuses of social benefits, among others. Gross and Sobotka advocate filling the relatively open space on the center of the Czech political spectrum, but face opposition from CSSD hard-liners who would prefer cooperation with the Communists and a return to the party's socialist principles. This group is represented loosely by Labor Minister Skromach, MPs like Jan Kavan and Foreign Relations Committee Chairman Vladimir Lastuvka. However, despite Skromach's announced candidacy for party chair, the left faction lacks a visible leader. According to MP Hana Orgonikova, Skromach is the media face, but not a real leader of the group.

15. (C) CSSD will hold a program conference in late January to work out ideological differences and decide on the course the party will take in the run up to the 2006 parliamentary election. However, numerous party members are skeptical that any real decisions will be made or implemented at the conference. They complain of the lack of expertise and vision in the party, pointing out the complete non-functioning of the expert commissions that should be working on policy recommendations and concepts. Some describe the current stalemate in the CSSD as a "dead period", with nothing meaningful happening and the party leadership at a loss of how to implement changes that are needed. And below the dysfunctional leadership are the large group of 70 CSSD MPs whose main (or sole) priority is to get themselves re-elected in 2006.

-----  
Zeman In The Waiting  
-----

16. (C) Complicating the difficult situation is former PM and honorary CSSD Chairman Milos Zeman, who has not gotten over what he perceives as his betrayal in the 2003 presidential election by Gross and others. It is unclear whether his public attacks on Gross and most of the rest of the party leadership are intended to simply encourage Gross's opponents, or if Zeman really wants to return to politics. While the Renaissance group actively seeks his return, some admit that he has passed his political prime and is in fact out of touch with CSSD or Czech politics. Of interest is Zeman's continued relationship with President Klaus, which is difficult to size up. Zeman and his wife recently dined at the Klaus's residence for "personal reasons," but some CSSD members speculate that there is more to the relationship than meets the eye and that Klaus wants to help Zeman return to politics. The Embassy is closely watching how this relationship will further develop.

-----  
Comment: Keep an Eye on Communists  
-----

17. (C) The CSSD is being squeezed from both sides: on the one hand it is loosing out to the much strengthened center-right Civic Democratic Party, which decisively won all this year's elections (reftel), and on the other to the Communist Party that enjoys reliable support from voters on the left. The KSCM poses a real threat of becoming the second strongest party in the country, because its leader Grebenicek and others sense the incredible opportunity provided to them by CSSD's troubles. Grebenicek's statements earlier this month that the Communist party should distance itself from the crimes committed under Communism -- KSCM's first public admission that such crimes took place under its predecessor -- is aimed at making the party appear more modern and acceptable to the Czech public. CSSD will have to come up soon with a viable strategy to maintain a long-standing position on the Czech political scene, or risk political irrelevance.

18. (C) CSSD's internal problems inevitably impact the governing coalition. In the past, internal squabbles in the largest government party raised tensions within the government and threatened passage of government-initiated legislation. There are already signs that nothing much can be expected from the current government in the next 18 months. The CSSD internal situation played a role in the December 20 agreement of the coalition parties' leadership to set limited goals for the coming year: more efficient legal proceedings, consensus on pension reform, and ratification of the EU constitution. As discussed septel, Gross's weak position will impact on our efforts to secure Czech support in Iraq and on other priorities.

CABANISS